

GOV. MSG. NO. 231

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

April 20, 2015

The Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
State Capitol  
Honolulu, Hawaii 96813

Dear Senate President Kim:

The Hawaii Government Employees Association (HGEA) and the public employers have reached a tentative agreement concerning Collective Bargaining Unit 9 (Registered Nurses). The State received notification of ratification on April 17, 2015. In accordance with Section 89-10(b), cost items must be submitted to the Legislature for appropriation within ten days of ratification. The following summaries of the included and excluded requirements of the settlement for the current fiscal biennium are being transmitted to the Legislature for authorization:

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
<u>Salaries &amp; Fringe</u>			
General	\$ 3,368,039	\$ 7,074,427	\$10,442,466
Special	6,848,237	14,310,958	21,159,195
Federal	48,944	107,099	156,043
Other Federal	72,180	145,284	217,464
Interdept. Transfer	5,339	11,134	16,473
Revolving	<u>29,813</u>	<u>62,779</u>	<u>92,592</u>
Total	\$10,372,552	\$21,711,681	\$32,084,233

Of the above amounts, the following are for the Hawaii Health Systems Corporation (HHSC):

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
Special	\$6,831,322	\$14,275,177	\$21,106,499

Honorable Donna Mercado Kim  
April 20, 2015  
Page 2

It should be noted that HHSC has indicated that it cannot absorb these additional salary costs and will be requesting an increase in its general fund subsidy from the Legislature for this purpose.

An agreement with HGEA regarding Employer-Union Trust Fund contribution amounts has also been reached and the estimated costs are as follows:

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
General	\$589,054	\$1,083,173	\$1,672,227

Attached is a proposed draft bill which amends Senate Bill No. 1084, in its entirety, to fund the settlement.

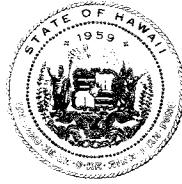
Sincerely,



DAVID Y. IGE  
Governor, State of Hawaii

Attachment

c: Honorable Jill N. Tokuda



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

April 20, 2015

**GOV. MSG. NO. 231**

The Honorable Joseph M. Souki  
Speaker of the House of Representatives  
Twenty-Eighth State Legislature  
State Capitol  
Honolulu, Hawaii 96813

Dear Speaker Souki:

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Honorable Joseph M. Souki  
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General	\$589,054	\$1,083,173	\$1,672,227

Attached is a proposed draft bill which amends Senate Bill No. 1084, in its entirety, to fund the settlement.

Sincerely,



DAVID Y. IGE  
Governor, State of Hawaii

Attachment

c: Honorable Sylvia Luke

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# A BILL FOR AN ACT

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 PART I

2 SECTION 1. There are appropriated or authorized from the  
3 sources of funding indicated below to collective bargaining  
4 statewide (BUF 102) the following sums, or so much thereof as  
5 may be necessary, to fund for fiscal biennium 2015-2017 all  
6 collective bargaining cost items for salary increases and other  
7 wage related costs in the agreement negotiated with the  
8 exclusive bargaining representative of collective bargaining  
9 unit (9):

10	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
11 General Funds	\$3,306,750	\$6,941,459
12 Special Funds	16,915	35,781
13 Federal Funds	48,944	107,099
14 Other Federal Funds	72,180	145,284
15 Interdepartmental Transfers	5,339	11,134
16 Revolving Funds	29,813	62,779

17 Of the above amounts, the following amounts are for the  
18 department of education:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$7,866	\$19,500

SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

#### PART II

SECTION 3. There are appropriated or authorized from the sources of funding indicated below to administration (JUD 601) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017 all collective bargaining cost items for salary increases and other wage related costs in the agreement negotiated with the exclusive bargaining representative for collective bargaining unit (9):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$14,097	\$31,636

SECTION 4. Funds appropriated or authorized by this part shall be allotted by the chief justice for expenditure in the respective fiscal year for the purposes of this part.

#### PART III

SECTION 5. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the

1 salary increases and other cost adjustments authorized by  
2 chapter 89C, Hawaii Revised Statutes, for state officers and  
3 employees excluded from collective bargaining who belong to the  
4 same compensation plans as those officers and employees within  
5 collective bargaining unit (9):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$43,209	\$91,188

SECTION 6. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

#### PART IV

SECTION 7. There are appropriated or authorized from the sources of funding indicated below to administration (JUD 601) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, by the chief justice for state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees within collective bargaining unit (9):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$3,983	\$10,144

SECTION 8. The sums appropriated or authorized by this part shall be allotted by the chief justice for expenditure in the respective fiscal year for the purposes of this part.

#### PART V

SECTION 9. There are appropriated or authorized from the sources of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the collective bargaining cost items in the agreement negotiated for state employees in collective bargaining unit (9) assigned to the Hawaii health systems corporation:

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
Special Funds	\$6,707,491	\$14,013,583

#### PART VI

SECTION 10. Funds appropriated or authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

SECTION 11. There are appropriated or authorized from the sources of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the salary increases and other cost



6		<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
7	Special Funds	\$123,831	\$261,594

12 PART VII

<b>20</b>		<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
<b>21</b>	General Funds	\$586,518	\$1,078,479

5

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$668	\$613

PART VIII

SECTION 14. There are appropriated or authorized from the sources of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the Hawaii employer union health benefits trust fund costs for state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees within collective bargaining unit (9):

	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
General Funds	\$2,536	\$4,694

SECTION 15. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IX

SECTION 16. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

S.B. NO. 1084  
S.D. 1  
H.D. 1  
Proposed C.D. 1

1       SECTION 17. Funds appropriated or authorized by this Act  
2   that are not expended or encumbered by June 30, 2016, and  
3   June 30, 2017, of the respective fiscal years, shall lapse as of  
4   those dates.

5       SECTION 18. This Act shall take effect upon its approval.

**Report Title:**

Appropriations for Collective Bargaining Cost Items

**Description:**

Provides fund authorizations and appropriations for all collective bargaining cost items for salary increases and other wage related costs in the negotiated settlement for unit (9) and its excluded counterparts for fiscal biennium 2015-2017.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*